

Message Text

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15

ORIGIN EB-07

INFO OCT-01 NEA-10 ISO-00 SS-15 TRSE-00 CIAE-00 INR-07

NSAE-00 OES-06 OMB-01 AID-05 NSC-05 INT-05 COME-00

FEA-01 ACDA-07 /070 R

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FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

AMCONSUL DHAHRAN PRIORITY

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E.O. 11652: N/A

TAGS: EIND, SA

SUBJECT: CANCELLATION OF DESALTING PROJECTS

REF: JIDDA 6035

1. AS SUGGESTED BY EMBASSY, DEPT. DISCUSSED REPORTS OF POSTONEMENT OF SWCC DESALTING PROJECTS WITH SANDERSON AND PORTER REP, JEFF MAHON, WHO HAD RECENTLY RETURNED FROM SAUDI ARABIA. MAHON CONFIRMED REPORT CONTAINED REFTEL THAT ALL PENDING SWCC TENDERS WERE SUDDENLY POSTPONED, INCLUDING JUBAIL.

2. ACCORDING TO MAHON, CHANGE OCCURRED LITERALLY OVER-
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NIGHT. ON AUGUST 28 SANDERSON AND PORTER REPS WERE WORKING

CLOSELY WITH SWCC ON BASIS OF ORIGINAL TIMETABLE. ON THE 29TH, MAHON WAS CALLED IN BY VISABLY SURPRISED SWCC OFFICIAL AND INFORMED OF POSTPONEMENT. DECISION, ACCORDING TO MAHON, CLEARLY CAME FROM OUTSIDE SWCC, WITH EMBARRASSING RAMIFICATIONS FOR PRINCE MOHAMMED. AS EXAMPLE, MAHON CITED FACT THAT BIN LADIN HAD MOBILIZED AT JUBAIL ON PERSONAL ASSURANCE OF MOHAMMED THAT CONTRACT WOULD SOON BE SIGNED.

3. WHILE NO EXPLANATION WAS GIVEN FOR DECISION, MAHON VEN-

TURED THREE POSSIBILITIES: A) THAT INCREASED COSTS OF SWCC PROGRAM PRECIPITATED A DECISION TO REVIEW ALL PROPOSED PROJECTS. B) THAT SWCC WAS OUTPACING OTHER DEVELOPMENT PROJECTS, REQUIRING A POSTPONEMENT TO AVOID IDLE POWER AND DESALTING FACILITIES. C) THAT BUREAUCRATIC STRUGGLE BETWEEN MINISTER OF INDUSTRY AND ELECTRICITY, AL GOSAIBI, AND PRINCE MOHAMMED HAD RESULTED IN A DECISION TO REVIEW THE ELECTRIC POWER SIDE OF THE SWCC PROGRAM. KISSINGER

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Message Attributes

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Draft Date: 09 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Drafter: JLNESVIG:CEK
Enclosure: n/a
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Margaret P. Grafeld
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